Alberta
ENERGY

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06-04

GAS ROYALTY CALCULATION INFORMATION BULLETIN
April 2006

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PLEASE ENSURE YOUR PRODUCTION ACCOUNTANTS RECEIVE A COPY OF THIS DOCUMENT.

A. PRICING RATES AND TRANSPORTATION INFORMATION

For Pricing, Royalty Rates and Transportation Information for February 2006, refer to Attachments 1, 1A, 2, 2A, and 3.

B. NOTICES

Annual Operating Cost Adjustments for 2003, 2004, and 2005 Production Years

Royalty clients may have a charge type on their February 2006 invoice titled "Annual Operating Cost Adjustment". This adjustment represents the difference between the actual annual operating costs and the accumulated estimated monthly unit operating cost rate (UOCR), including any prior annual adjustments, for a production year. Two reports are included with the invoice titled Annual Operating Cost Adjustment Details and Annual Operating Cost Adjustment Summary. Annual Operating Cost Adjustments are processed once a year and the adjustments will be identified in the February invoice issued in April. The results of the 2006 UOCR calculation process are published on the department website http://www.energy.gov.ab.ca/1917.asp. For additional information please refer to the March 2004 Supplement Information Bulletin 04-03A or contact your Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin.

Rapid Trans Deposit Slips

Royalty clients are reminded that banks do not have a supply of our Alberta Energy Rapid Trans Deposit Slips. They may be picked up or requested from the following locations:

AMEC (Calgary Information Centre)
300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone (403) 297-6324
Fax (403) 297-8954

Alberta Energy (Gas Royalty Calculation Unit)
8th Floor, 9945-108 Street
Edmonton, Alberta
T5K 2G6
Contact: Barb Buckley
Telephone (780) 644-4899
Fax (780) 422-8732

Alberta Energy (Financial Services)
12th Floor, 9945 – 108 Street
Edmonton, Alberta
T5K 2G6
Contact: Arlene Clark
Telephone (780) 427-9705
Fax (780) 422-4281

C. MONTHLY INFORMATION

February 2006 Royalty Due May 31

- **Royalty clients are to remit the total amount payable shown on the May 2006 Statement of Account by May 31, 2006.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.

- **The May 2006 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your February 2006 Invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.**

- Current period interest will not be charged on current invoice charges for the production month of February 2006 if it is paid in full by May 31, 2006.

- Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.

  Note: If the due date falls on a non-business day, the next business day will apply as the due date.

- Cheques are payable to the Minister of Finance, Province of Alberta.

March 2006 VA4 Due May 15

The VA4 forms for the production month of March 2006 are due in the department offices by May 15, 2006.

Note: If the due date (15th) falls on a non-business day, the next business day will apply as the due date for VA4 forms.

March 2006 Production Reporting

March 2006 production reporting is submitted through the Registry. The deadline for submission of SAF, OAF, and Volumetrics is posted in the Petroleum Registry of Alberta website "Calendar" under Bulletin Board.

Changes to this calendar will be posted on the Registry web site home page in "Broadcast Messages."

Interest Rate April 2006

Alberta Energy's interest rate for April 2006 is 6.50%.

January Provisional Assessment Charge

The summary of Provisional Assessment Charges for all production periods in the January 2006 billing period was:

First Time Provisional Assessment	Reversals of Provisional Assessments	Net Provisional Assessment
$7,278,820.74	($5,981,164.51)	$1,297,656.23

January Charges

The revised penalty table below shows at the form level, the total penalty charges and reversals, for the January 2006 billing period:

FORM	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2006/01
AC2	$28,500	$0	$28,500
AC4	$0	$0	$0
AC5	$4,200	$0	$4,200
GR2	$0	$0	$0
NGL1	$0	$0	$0
VA2	$0	$0	$0
VA3	$0	$0	$0
VA4	$100	$0	$100
Total	**$32,800**	**$0**	**$32,800**

Alberta Royalty Tax Credit Program Quarterly Rate

For the second quarter of 2006, commencing April 1, 2006, the royalty tax credit rate will be .2500. This rate is based on a royalty tax credit reference price of $690.57 per cubic metre. The Alberta Royalty Tax Credit rates for the past year were:

First Quarter, 2006	.2500
Fourth Quarter, 2005	.2500
Third Quarter, 2005	.2500
Second Quarter, 2005	.2500

If you have any questions, please contact Brett Armitage of Tax Services at (780) 644-4063.

Gas Royalty Calculation Support

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to call David Isaac, Manager, Client Services (780-422-9258) or e-mail david.isaac@gov.ab.ca two business days before the meeting date to arrange an appointment. The May through July schedule is as follows:

Where:
AMEC Place
Room 437, 801-6 Avenue SW
Calgary, Alberta
Phone: 403-297-8954
(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

When – 10 am to 3 pm
May 18, 2006
June 22, 2006
July 27, 2006

D. INFRASTRUCTURE DATA CHANGES

Client ID Listing

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates, and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:

http://www.petroleumregistry.gov.ab.ca

The department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO start date with no end date, then that BA can receive allocations from the stated start date forward.
- If a BA has a WIO start and end date, then they can only receive allocations from the stated start date until the end date. Any allocations after the end date will be rejected.
- If a BA does not have a WIO start date, then that BA cannot receive allocations at all.

Please contact Client Registry at (780) 422-1395 if you have any questions regarding the information supplied on this listing.

Projects/Blocks

If information is required on Projects or Blocks, please contact Isabelle Warwa at (780) 427-8952.

Client Status Changes

Clients must ensure that all royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at (780) 422-1395.

The following is a list of struck, cancelled, dissolved, and revived clients:

Company Name	Client ID	Struck Date
289467 Alberta Ltd.	0D0Z	March 2, 2006
4163869 Canada Inc.	0P1L	March 2, 2006
D & R Resources Inc.	0B0N	March 2, 2006
General Chemical Canada Ltd.	0B36	March 2, 2006
Oiltec Energy Services Ltd.	0JN4	March 2, 2006
Promax Energy Inc.	0YL7	March 2, 2006
Sierra Trinity Inc.	0M4E	March 2, 2006
Company Name	**Client ID**	**Cancelled Date**
Tercero Resources Company	0AB7	March 2, 2006
Company Name	**Client ID**	**Dissolved Date**
Concise Engineering Ltd.	0NK6	March 31, 2006
Devon AOG Corporation	0T65	March 31, 2006
Discovery Drilling Funds Inc.	A0W4	March 31, 2006
Discovery Drilling Funds 2 Inc.	A19B	March 31, 2006
Encana Resources 2005 Ltd.	A18D	March 31, 2006
1154560 Alberta Ltd.	A1C7	March 31, 2006
Camton Exploration Inc.	A1NK	March 28, 2006
Company Name	**Client ID**	**Revived Date**
372606 Alberta Ltd.	0Z55	March 27, 2006

Nova Tolls - Multiple Gas Reference Prices

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Natural Gas website's Royalty Related Information page under Facility Royalty Trigger Factors and Meter Station Ties.

E. REMINDERS

Implementation of Infrastructure Processing Deadline

At an Industry/Registry Question and Answer session in the summer of 2005, industry proposed that Alberta Energy implement a processing deadline for infrastructure data to coincide with the current allocations and volumetrics deadline, normally midnight of the 15th of each month. This would mean that after the deadline, but before the gas invoice commences, no processing of additional data is performed. Any forms received after the deadline will not be processed until the following invoice month; for example RMF2 forms, changes to an exhibit A for a unit, Crown interest changes, etc.

Subsequent to the proposal the department reviewed impacts of the deadline and determined the advantages and disadvantages to both industry and Alberta Energy. This information was presented to industry in August 2005. In September 2005 industry confirmed they wanted Alberta Energy to proceed with implementing the infrastructure processing deadline. Thus, this change will take effect on June 15, 2006 calendar, which relates to the April 2006 production month.

On or before the invoice cut-off deadline (the 15th day of the month, or the next business day if the 15th falls on a non-business day), the following submissions must be received by the department to avoid a delay in processing until the following month:

- AC1 changes
- AC2/3/4/5
- Business Associate
- DGRHP
- Facility
- OAS (through a keying agent)
- OFSG
- Out of Province Facility
- PW1
- Raw Gas Allocation
- RMF1/2/3
- S1/8/18/20/21
- TC20
- Unit – Exhibit A
- Well

Please note, with the implementation of the infrastructure processing deadline, the form due dates have not changed.

If you have any questions, please contact your Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin.

Inclusion of Condensate Royalty on the Crown Royalty Invoice

Effective the February 2006 billing period invoice, issued calendar month April 2006, changes to the delivery method for condensate royalty were implemented as previously reported in the January 2006 Information Bulletin. Details of the implementation are as follows:

Calculation:

- Condensate royalty calculation will remain in accordance with the existing legislation and method of determination. This includes exemption of Deep Gas Royalty Holiday Program (DGRHP) amounts if the battery is tied to a holiday well.

  The condensate Crown royalty formula equals:

  Condensate Crown Volume
  Multiplied by
  (Pentanes Plus Reference Price – Pentanes Plus MX Transportation Allowance)
  Less
  DGRHP Exemption Amount Taken

- The condensate royalty calculation and charge will continue to have no impact to allowable costs including, allowable cost restriction, CERR, and UOCR calculation.
- The calculation of the condensate royalty is completed at the BA / Facility / Production Period / Well level, and then summed to the BA / Facility / Production Period level for the actual condensate royalty charge.
- Amendments are generated whenever condensate volumes are amended for a prior period. Condensate Royalty may also be affected by the following infrastructure changes:
  - Battery Operator change: Condensate Royalty will be reversed from the old operator and recharged to the new operator for affected production periods.
  - Well-Battery Tie change: Condensate Royalty will be reversed and recharged to the new battery and/or new operator for the affected periods.

  - Battery Transportation Region change: Condensate Royalty will be reversed and recharged using the transportation allowance of the new transportation region.
  - Well Event change: Condensate Royalty will be reversed and recharged for the effective period of the well event change.
- If the condensate charge is for a prior period, Prior Period Interest (PPI) will be calculated on the net condensate volume. A reversing entry will be created for any Condensate Royalty charge details where the condensate volume has been amended for the same well and production period if exists.

Reports:

- The condensate royalty charges will be rolled-up to the Gas Royalty invoice as a separate line item (charge type). The royalty continues to be charged to the operator of the battery or to the supra-client, if the operator was consolidated as of the current billing period. This report is still available to clients in four formats: TXT, PDF, EDI, and CSV. See Attachment 4 for a sample report (PDF format).
- Along with the changes made to the invoice the following reports have also had changes made in order to incorporate condensate royalty:
  - A new column will be added after the penalty column in the Production Year Detail report that will list the condensate royalty. This report is available to clients in two formats: TXT and PDF. See Attachment 5 for a sample report (PDF format).
  - A Condensate Royalty Statement will be produced and included with the monthly invoice – client package. The condensate royalty statement will provide a breakdown of condensate well production at each battery listing the current period royalty condensate volumes, as well as any reductions to royalty condensate volumes. This report will be available to clients on the Petroleum Registry of Alberta (the Registry) in two formats: TXT and PDF. See Attachment 6 for a sample report (PDF format).
  - For each Business Associate who receives a condensate royalty charge, a Condensate Royalty Calculation Detail report will be produced and included with the monthly invoice – client package. This report will be available to the clients on the Registry in three formats: TXT, PDF and CSV. See Attachment 7 for a sample report (PDF format).

For condensate royalty clients who currently receive their monthly invoice in paper format and do not have access to the Registry, the invoice and corresponding detail reports will still be available in paper format and be mailed as is currently done.

Statement of Account:

- As condensate royalty is now included on the Gas Royalty invoice, charges for condensate royalty will now be included on the G94 Statement of Account. With implementation of the condensate changes, condensate (PCR) accounts will no longer reflect new condensate royalty charges. The PCR account balance will not be transferred to the G94 Statement of Account and PCR balances will remain until paid in full.

Royalty Deposit:

- The monthly royalty deposit calculation process will be updated to include the condensate royalty charges in the net royalty that is used to determine the Royalty Deposit Adjustment for new clients.
- The annual royalty deposit adjustment calculation will also be updated to include the condensate royalty charges.

Should you have any further questions or concerns, please call Bobby Gill at (780) 422-9265 or Lu-Enn Toon at (780) 422-9082.

Changes to the Royalty Exemption Statement

In response to industry's request to make the Royalty Exemption Statement more user friendly, the department has converted this statement into CSV format so that it is available to download into an Excel spreadsheet. Effective March 2006 billing period invoice, issued in the calendar month of May 2006, the Royalty Exemption Statement will be converted to CSV format with the added enhancements:

1. Well Tie – to identify if the well is tied to a Unit or a Non-Consolidated Well Group.
2. Royalty Exemption Application Number – to provide the application number for industry's use in specific inquiries to the department
3. Royalty Exemption Status – to provide the exemption status of the eligible well. Available statuses are:
   - New – identifies the first time the well appears on the Royalty Exemption Statement.
   - Active – identifies a well that is currently receiving an exemption.
   - Complete – identifies a well that has received all exemptions under the program.

The Royalty Exemption Statement is produced and included with the monthly invoice - client package. This above enhancement will now provide the statement to the clients on the Registry in three formats: TXT, PDF and CSV. See Attachment 8 for a sample report.

For royalty exemption royalty clients who currently receive their monthly invoice in paper format and do not have access to the Registry, the invoice and corresponding detail statement will still be available in paper format and be mailed as is currently done.

No changes to the User Defined File (UDF) Handbook are required.

For further information please contact Joey Dennis at (780) 422-9260 or Lu-Enn Toon at (780) 422-9082.

Weighted Average Aggregator Overhead Marketing and Administration Charges (OMAC)

For Gas Corporate Average Price (CAP) filers, when determining the netback value, the weighted average OMAC type charges may be deducted for sales to non-designated aggregators. Refer to Chapter III, Section 1.7.3 of the Principles and Procedures for additional information.

The Weighted Average Aggregator OMAC ($/GJ) for 2005 is $0.023. Refer to Chapter III, Sections 1.3 and 1.4 of the Principles and Procedures for additional information.

Annual Weighted Average Gas Reference Price

The Annual Weighted Average Gas Reference Price for 2005 is $7.935. This price is used in the calculation to determine the 2005 minimum price for the Gas Corporate Average Price. Refer to Chapter III, Section 1.7 of the Principles and Procedures for additional information.

Historical Pricing and Royalty Data

A listing of historical royalty related data for information purposes was published in the February 2006 Information Bulletin.

Monthly Sulphur Corporate Average Price Calculation – VA4 Form

The department requires royalty clients with an annual sulphur production of 30,000 tonnes or greater in the 2005 production year to file VA4 forms monthly, beginning with the January 2006 production month. The VA4 form is due on or before the 15th day of the second month following the respective production month. A royalty client whose annual sulphur production is less than 30,000 tonnes may choose to file the VA4 forms monthly beginning with January's production month; however, if this choice is made, the client must file VA4 forms for the entire year.

The department will use the VA4 forms to determine each client's monthly Sulphur Corporate Average Price (S-CAP) and the monthly Sulphur Default Price. We calculate each month's Sulphur Default Price as the weighted average unit value of all arms length sales for all clients who filed VA4 forms for that month. The department will value and invoice the Crown royalty share of sulphur production monthly using the respective S-CAP price for clients who file VA4 forms, and the Sulphur Default Price for clients who chose not to file VA4 forms.

The VA4 form is subject to $100 in late filing penalties for each month or part of the month the form is past due.

Royalty clients who file monthly VA4 forms must file annual VA3 forms. The VA3 form remains the primary sulphur valuation tool and the S-CAP determined from each VA3 will replace the entire year's monthly prices determined from the VA4 forms.

The VA3 is due on or before April 15th of the year following the year of production. Interest is charged/paid on the Crown royalty difference when adjusting from monthly to annual valuation. The VA3 form is subject to a one-time $1,000 late filing penalty.

The following royalty clients must submit VA4 forms effective with the 2006 production year, which includes any pricing information for each of its consolidated/amalgamated entities:

Client ID	Client Name	Client ID	Client Name
0017	Imperial Oil Resources	0JT1	Exxonmobil Canada Energy
0039	Talisman Energy Inc.	0KT5	Esprit Exploration Ltd.
0054	Suncor Energy Inc.	0N00	Primewest Energy Inc.
0060	BP Canada Energy Company	0NP2	Kick Energy Corporation
0226	Nexen Inc.	0PF8	Hunt Oil Company of Canada Inc.
0246	Petro-Canada	0R46	Husky Oil Operations Limited
0CW8	Compton Petroleum Corporation	0T03	Shell Canada Limited
0D7E	Encana Oil & Gas Partnership	0T82	Canadian Forest Oil Ltd.
0F3F	Devon Canada	0W9D	Burlington Resources Canada Partnership
0G30	Arc Resources Ltd.	A08J	Enerplus Oil & Gas Ltd.
0HE9	Canadian Natural Resources	A0L6	Fairborne Pivotal Production Partnership

F. POINTS OF CONTACT

Petroleum Registry of Alberta

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Alberta Energy Internet

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: http://www.energy.gov.ab.ca, from "Our Business", navigate to "Natural Gas", "About Natural Gas", "Prices", "Alberta Natural Gas Reference Price (ARP)".

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available on the Alberta Energy Internet address: http://www.energy.gov.ab.ca, from "Our Business", navigate to "Natural Gas", "Legislation, Guidelines & Policies".

Gas Royalty Client Services

The Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the "Gas Company" you would call C – G team at (780) 644-1202.

Business Associate	Phone Number and E-mail Address	Team Lead
Numbered companies, A, B & L	(780) 644-1201 GRCST1@gov.ab.ca	Mary Spearing
C – G	(780) 644-1202 GRCST2@gov.ab.ca	(Vacant)
H – P (excluding L)	(780) 644-1203 GRCST3@gov.ab.ca	Chris Nixon
Q – Z	(780) 644-1204 GRCST4@gov.ab.ca	Kamal Rajendra

Gas Royalty Reception: (780) 427-2962
Fax: (780) 427-3334 or (780) 422-8732
Alberta Toll Free: (780) 310-0000
Hours of operation are 8:15 a.m. to 4:30 p.m.
Voice messages left after 4:30 p.m. will be answered the next business day.

In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the "Supra" business associate, or Royalty payer.

Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the "Supra" business associate (Royalty Payer).

   i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.

2. **Asset Purchase** - Call the team responsible for your company.

   i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets. You would not be entitled to information regarding business for TSP Exploration that is prior to the asset purchase.

3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client's company.

   i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

Reference Prices and Valuation Allowances Calculation Information

Gas Royalty Valuation and Markets
300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone (403) 297-5514
Fax (403) 297-5400

Calgary Information Centre

300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone (403) 297-6324
Fax (403) 297-8954

Alberta Royalty Tax Credit Information

Alberta Finance, Tax and Revenue Administration
Tax Services
Telephone: (780) 427-3044
Alberta Toll Free: (780) 310-0000
Fax: (780) 427-5074
For further information, please contact Tax Services at (780) 427-9425.

Deen Khan
Director, Gas Royalty Calculation
Gas Development

Attachments

2006 GAS AND ISC PRICES

MONTH	Gas Reference Price ($/GJ)	Methane ISC Reference Price ($/GJ)	Methane ISC Par Price ($/GJ)	Ethane ISC Reference Price ($/GJ)	Propane ISC Reference Price ($/GJ)	Butanes ISC Reference Price ($/GJ)	Pentanes plus ISC Reference Price ($/GJ)
JAN	9.52	9.56	9.56	9.33	9.11	9.10	9.14
FEB	7.38	7.36	7.36	7.58	7.58	7.58	7.59
MAR							
APR							
MAY							
JUN							
JUL							
AUG							
SEPT							
OCT							
NOV							
DEC							

Natural Gas and NGLs Select Prices for 2006

Commodity	2006
New Methane	1.419 $/GJ
Old Methane	0.418 $/GJ
New Ethane	1.419 $/GJ
Old Ethane	0.418 $/GJ
Propane	1.419 $/GJ
Butanes	1.419 $/GJ
Pentanes plus	50.73 $/m3

Royalty Factors for Pentanes plus

	Base	Marginal
New Pentanes	22	35
Old Pentanes	22	50

DETAIL OF THE FEBRUARY 2006 GAS AND ISC REFERENCE PRICES

	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	7.729	7.738	7.737	7.669	7.639	7.625
Deductions: Intra – Alberta Transportation	0.282	0.300	0.171	0.120	0.093	0.070
Marketing Allowance	0.027	0.027	0.027	0.027	0.027	0.027
Price Before Pipeline Factor	7.420	7.411	7.539	7.522	7.519	7.528
Pipeline Fuel/Loss Factor	0.989	0.989	0.989	0.989	0.989	0.989
Price before Special Adjustment	7.338	7.330	7.456	7.440	7.437	7.446
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	7.338	7.330	7.456	7.440	7.437	7.446
Amendments: Carry forward (from previous RP month)	-0.001	-0.003	-0.001	-0.005	0.003	0.001
Prior Period Amendment Adjustment (current RP month)	0.039	0.033	0.126	0.183	0.213	0.222
Calculated RP after Amendments	7.376	7.360	7.581	7.618	7.653	7.669
FEBRUARY 2006 Reference Price	**7.38**	**7.36**	**7.58**	**7.58**	**7.58**	**7.59**
Difference = value carried forward to next RP month	-0.004	0.000	0.001	0.038	0.073	0.079
Adjusted IATD (before Prior Period Amendments)	n/a	0.297	0.169	0.119	0.092	0.070
Prior period Amendments (IATD and Pipeline Fuel Loss)	n/a	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)	n/a	0.297	0.169	0.119	0.092	0.070

2005 Weighted Average Reference Price ($/GJ)
7.935

2005 Weighted Average OMAC ($/GJ)
0.023

2006
NATURAL GAS LIQUIDS PRICES

MONTH	Ethane Reference Price ($/GJ)	Ethane Par Price ($/GJ)	Propane Reference Price ($/m3)	Propane Par Price ($/GJ)	Propane Floor Price ($/m3)	Butanes Reference Price ($/m3)	Butanes Par Price ($/GJ)	Butanes Floor Price ($/m3)	Pentanes plus Reference Price ($/m3)	Pentanes plus Par Price ($/m3)	Sulphur Default Price ($ per tonne)
JAN	9.33	9.33	289.22	9.11	240.07	394.52	9.10	329.84	484.39	477.02	27.53
FEB	7.58	7.58	248.16	7.58	213.28	370.63	7.58	279.57	468.40	441.89	29.48
MAR											
APR											
MAY											
JUN											
JUL											
AUG											
SEPT											
OCT											
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
2000	2001	2002	2003	2004
$11.03	$0.28	$6.74	$30.97	$31.98

2006
NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a)				PROPANE AND BUTANES (b)				PENTANES PLUS, PROPANE & BUTANE (c)				FRAC. ALLOW. (per m3)
	REGION				REGION				REGION				
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	-0.90	13.92	10.05	18.08	18.72	-1.58	-33.18	-18.57	17.78	14.75	35.26	16.39	15.50
FEB	24.88	25.25	34.62	26.47	10.17	-2.24	-57.23	-19.17	18.42	13.68	31.79	18.91	15.50
MAR													
APR													
MAY													
JUN													
JUL													
AUG													
SEPT													
OCT													
NOV													
DEC													

(a) Pentanes Plus obtained as a specification gas product,
(b) Propane and Butanes obtained as specification products, and
(c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

* Current month calculated allowance is based on an estimate.

Note: For details on "Prior Period Amendment Effects", see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS

NGL REFERENCE PRICES	FEBRUARY 2006		
	Propane	*Butanes*	*Pentanes*
Price before amendments	248.160257	370.635975	467.876745
Opening Rollover (from prior business mth)	-0.000509	-0.001994	0.004081
Prior Period Amendment Adj. (NGL-1)	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.515332
Published Reference Price	**248.16**	**370.63**	**468.40**

TRANSPORTATION ALLOWANCES	FEBRUARY 2006											
	Pentanes Plus				Propane and Butanes				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	0.001396	0.003415	0.001703	-0.002407	0.004214	0.003348	0.002858	-0.004561	0.000989	-0.002294	-0.004231	-0.004540
Prior Period Amendment Adj. (NGL1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	0.515332	0.515332	0.515332	0.515332	0.000000	0.000000	0.000000	0.000000	0.136263	-1.239434	0.122708	0.129251
Total Amendment Effect	0.516728	0.518747	0.517035	0.512925	0.004214	0.003348	0.002858	-0.004561	0.137252	-1.241728	0.118477	0.124711
Calculated Transp. Differential	24.362959	24.729788	34.106770	25.954204	10.170694	-2.238666	-57.229177	-19.160639	18.287621	14.917363	31.674421	18.783061
Calculated Transp. Differential after Total Amendments	24.879687	25.248535	34.623805	26.467129	10.174908	-2.235318	-57.226319	-19.165200	18.424873	13.675635	31.792898	18.907772
Published Transportation Allowance	**24.88**	**25.25**	**34.62**	**26.47**	**10.17**	**-2.24**	**-57.23**	**-19.17**	**18.42**	**13.68**	**31.79**	**18.91**

*Any estimates represented by (*) are calculated as the weighted average of the other regions for the same spec product transportation allowance, since the region is zero. The weightings are based on the previous year's production.

2006
ROYALTY RATES

MONTH	METHANE-OLD (% per GJ)	METHANE-NEW (% per GJ)	ETHANE - OLD (% per GJ)	ETHANE - NEW (% per GJ)	PROPANE (% per m^3)	BUTANES (% per m^3)	PENTANES – OLD (POL) (% per m^3)	PENTANES - NEW (PNE) (% per m^3)
JAN	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.02226	33.61748
FEB	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	46.78553	33.50757
MAR								
APR								
MAY								
JUN								
JUL								
AUG								
SEPT								
OCT								
NOV								
DEC								

ENERGY

INVOICE

ROYALTY PAYER INFORMATION	
CODE:	1234
NAME:	PARENT COMPANY
ADDRESS	XXXXXXXXXXXXXXXXXXXXX
	CALGARY, AB
	CAN
	X9X 9X9

REGULATORY AGENCY INFORMATION	
ISSUER:	DEPARTMENT OF ENERGY
ISSUE DATE:	2006-04-30
INVOICE DUE DATE:	2006-05-31
BILLING PERIOD:	2006-02-01
INVOICE NUMBER:	12345678901
ACCOUNT NUMBER:	G94XXXXXX

		Prior Period $	Current Period $	Total $
Charges:				
	Crown Royalty	59,000.00	250,000.00	309,000.00
	Enhanced Oil Recovery Operating Cost Adjustment	10,000.00	50,000.00	60,000.00
	Provisional Royalty Assessment	10,000.00	25,000.00	35,000.00
	Penalties		5,000.00	5,000.00
	Condensate Royalty	31,312.00	423,423.00	454,735.00
	Total Charges	110,312.00	753,423.00	863,735.00
Credits:				
	Monthly Proprietary Waiver	(15,000.00)		(15,000.00)
	Monthly Capital Cost Deduction		(15,000.00)	(15,000.00)
	Monthly Custom Processing Fee Deduction		(5,000.00)	(5,000.00)
	Injection Credits		(25,000.00)	(25,000.00)
	Total Credits	(15,000.00)	(45,000.00)	(60,000.00)
Adjustments:				
	Annual Capital Cost Adjustment	(5,000.00)		(5,000.00)
	Annual Custom Processing Fee Adjustment	(1,000.00)		(1,000.00)
	Annual Operating Cost Adjustment	(2,000.00)	(3,000.00)	(5,000.00)
	Other Financial Transactions		(1,500.00)	(1,500.00)
	Interest: Prior Period	4,949.00		4,949.00
	Total Adjustments	(3,051.00)	(4,500.00)	(7,551.00)
TOTAL:		$92,261.00	$703,923.00	$796,184.00

Terms and Conditions: The 'Prior Period Total' is now due and includes prior period interest to the invoice issue date and will continue to accrue current period interest commencing the first day after the invoice ISSUE date until payment is received. The 'Current Period Total' is due on the Invoice Due Date and will incur current period interest commencing the first day after the invoice DUE date.
The Department will charge interest on underpayments or late payments of invoiced amounts commencing the first day after the due date and continuing until the date the payment is received. Interest will be calculated at the Alberta Treasury Branch prime lending rate plus 1%. Interest will not be paid on overpayments of invoiced amounts.

Alberta
ENERGY

PRODUCTION YEAR DETAIL 2006

ROYALTY PAYER INFORMATION	
CODE:	1234
NAME:	PARENT COMPANY
ADDRESS:	XXXXXXXXXXXXXXXXXXXXX
	CALGARY, AB
	CAN
	X9X 9X9

REGULATORY AGENCY INFORMATION	
ISSUER:	DEPARTMENT OF ENERGY
ISSUE DATE:	2006-04-30
INVOICE DUE DATE:	2006-05-31
BILLING PERIOD:	2006-02-01
INVOICE NUMBER:	12345678901
ACCOUNT NUMBER:	G94XXXXXX

Production Period	Billing Period	Invoice Number	Crown Royalty $	ECR Operating Cost Ajustment $	Crown Royalty Inventory Settlement $	Allowable Cost Restriction $	Provisional Royalty Assessment $	Penalties $	Condensate Royalty $	Charges Sub-Total $
2006/01	2006/01	12345678888	4,350,000.00						**3,221.32**	4,353,221.32
	2006/02	12345678901	251,423.41	50,000.00			10,000.00		**-439.26**	310,984.15
2006/01	Sub-Total		4,601,423.41	50,000.00	0.00	0.00	10,000.00	0.00	**2,782.06**	4,664,205.47
2006/02	2006/02	12345678901	456,654.55	10,000.00			25,000.00	5,000.00	**76,970.97**	573,625.52
2006/02	Sub-Total		456,654.55	10,000.00	0.00	0.00	25,000.00	5,000.00	**76,970.97**	573,625.52
2006 Annual	2006/02	12345678901								
	Sub-Total		0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00
2006 Total			$5,058,077.96	$60,000.00	$0.00	$0.00	$35,000.00	$5,000.00	**$79,753.03**	5,237,830.99

Alberta
ENERGY

CONDENSATE ROYALTY STATEMENT

Invoice #12345678901

Issue Date: 2006-04-30
Operator: 0XXX
Name: MY COMPANY

Royalty Payer Code: 0XXX
Name: MY COMPANY
Address: 100 1 AVE SW SUITE 999
CALGARY, AB
T2P 2R9

Well	Total Prod.	Crown Percent	Crown Prod.	Vintage Percent	Density	Gross Crown Royalty			Crown Royalty Reduction				Net Crown Royalty		
						Old Oil	New Oil	Total	Old Oil	New Oil	Total	Code	Old Oil	New Oil	Total
Battery: AB BT 0999999 Production Period: 2005-12															
AB WI 100010605713W500	1.1	100.0000000	1.1	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100013205613W500	15.8	100.0000000	15.8	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100043305613W500	3.0	100.0000000	3.0	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100060405713W500	3.2	100.0000000	3.2	100.00	Light	0.0	0.3	0.3	0.0	0.0	0.0		0.0	0.3	0.3
AB WI 100060505713W500	1.0	100.0000000	1.0	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100073005613W500	4.5	100.0000000	4.5	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100103105613W500	5.6	100.0000000	5.6	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
AB WI 100142905613W500	3.9	100.0000000	3.9	100.00	Light	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
	38.1		38.1			0.0	0.3	0.3	0.0	0.0	0.0		0.0	0.3	0.3

Reference Number: 42341234

Alberta
ENERGY

CONDENSATE ROYALTY CALCULATION DETAIL

INVOICE #149011

Issue Date: 30-06-2005
Royalty Client: 0XXX
Name: MY COMPANY

ROYALTY PAYER CODE: 0XXX
NAME: MY COMPANY
Address: 100 1 AVE SW SUITE 910
CALGARY, AB
T2P 2R9

Battery	Well ID	Production Period	Condensate Volume M3	Reference Price	Region	Transprt Allowance	Net Condnst Price	Gross Condensate Amount $	Exemption Amount $	Net Condensate Amount $	Interest Charge $
AB BT 0001234	AB WI 100143603604W502	2005-01	-3.2	420.54	4	12.67	407.87	-1,305.18	0.00	-1,305.18	-0.26
			3.3	420.54	4	12.67	407.87	1,345.97	0.00	1,345.97	0.27
										40.79	0.01
		2005-04	4.0	450.62	4	12.67	437.95	1,751.80	1,751.80	0.00	0.00
										0.00	0.00
	AB WI 100143603605W502	2005-01	-3.2	420.54	4	12.67	407.87	-1,305.18	0.00	-1,305.18	-0.26
			3.0	420.54	4	12.67	407.87	1,223.61	0.00	1,223.61	0.24
										-81.57	-0.02
									Battery Total:	-40.79	-0.01
AB BT 0005678	AB WI 100143603804W500	2005-03	-2.2	466.81	4	12.67	454.14	-999.11	0.00	-999.11	-0.20
			2.9	466.81	4	12.67	454.14	1,317.01	0.00	1,317.01	0.26
										317.90	0.06
	AB WI 100143603605W502	2005-04	-10.2	450.62	4	12.67	437.95	-4,467.09	0.00	-4,467.09	-0.89
			11.3	450.62	4	12.67	437.95	4,948.84	0.00	4,948.84	0.99
										481.75	0.10
									Battery Total:	799.64	0.16
									Operator Total:	758.86	0.15
									Payer Total:	758.86	0.15

ROYALTY EXEMPTION STATEMENT

Invoice #:00000XXXXXX

Issue Date: 2006-05-31
Royalty Client: 0XXX
Name: MY COMPANY LIMITED

Royalty Payer Code: 0XXX
Name: MY COMPANY LIMITED
Address: 100 1 Ave SW
CALGARY AB T2P 2Z5

ROYALTY EXEMPTION INFORMATION	
Well ID	1XX XX XX XXX XX WX XX
Well Operator ID	XXXX
Well Operator Name	MY COMPANY LIMITED
Well Tie	AB-UN-XXXXX
Royalty Exemption Application Number	DXXXX
Royalty Exemption Type	Deep Gas Royalty Holiday Program
Royalty Exemption Expiration Date	1998-06-01
Royalty Exemption Status	Complete
Eligible Periods	12
Total Periods Taken	4
Total Well Eligible Exemption	3,447,840.00
Total Well Eligible Exemption Taken	3,447,840.00
Condensate Taken	0.00
Remaining Well Eligible Exemption	0.00
Remaining Periods	

Production Period	TOTAL WELL			ROYALTY CLIENT SHARE	
	Exemption Periods Taken	Gross Royalty ($)	Eligible Exemption Taken ($)	Gross Royalty ($)	Eligible Exemption Taken ($)
1996-05	1	912,712.97	912,712.97	218,933.07	218,933.07
1996-06	2	888,548.08	888,548.08	213,133.50	213,133.50
1996-07	3	898,663.22	898,663.22	215,699.12	215,699.12
1996-08	4	897,184.87	747,915.73	215,206.34	179,401.29
Sub-Total		3,597,109.14	3,447,840.00	862,972.03	827,166.98
TOTAL		3,597,109.14	3,447,840.00	862,972.03	827,166.98

******* End Of Report *******